Pioneer Community Energy  
July 2022 Request for Proposals (“RFP”) for Mid-Term Reliability Procurement

Introduction
Pioneer Community Energy (Pioneer), a multi-jurisdictional Community Choice Aggregation (CCA) program with membership comprising the cities of Auburn, Colfax, Lincoln, Placerville and Rocklin, the town of Loomis, and the unincorporated areas of Placer and El Dorado counties (together, the “Member Agencies”), is intending to make progress towards meeting its obligations under the Mid-term Reliability Procurement Order (D.21-06-035) in addition to CCA’s Renewables Portfolio Standard (RPS), greenhouse gas emission reductions and reliability requirements by contracting for 3MW of newly developed projects with initial deliveries commencing on or before August 1, 2023. Pioneer is also intending to procure 12MW of Long-Lead Time Resources (6MW of long-duration storage and 6MW of 80% capacity non-emitting firm generation) with start date on or before June 1, 2026.

Pioneer currently serves over 150,000 electric accounts with annual retail sales approximating 1,800 GWh.

By participating in this RFP, each respondent acknowledges that it has read, understands, and agrees to the terms and conditions set forth in these instructions. Pioneer reserves the right to reject any offer that does not comply with these requirements. Furthermore, Pioneer may, in its sole discretion and without notice, modify, extend, suspend, or terminate this RFP without further obligation or liability to any respondent. This RFP does not constitute an offer to buy nor create an obligation for Pioneer to enter into an agreement with any party, and Pioneer shall not be bound by the terms of any offer until Pioneer has entered a duly authorized and fully executed agreement.

RFP Instructions

Pioneer Obligation: Per California Public Utility Commission (CPUC) order D.21-06-035¹, Pioneer is required to procure 58 MW of additional Net Qualifying Capacity (NQC) to come online incrementally on or before August 1, 2023, through June 1, 2026. Pioneer is also obligated to procure 6MW of long-duration storage and 6MW of 80% capacity firm non-emitting resources by June 1, 2026. Proposals offered into this RFP will be evaluated for their ability to meet Pioneer’s portfolio targets in accordance with the terms of this RFP based on a least cost/best fit methodology together with other factors listed below under “Evaluation of Responses,” and in consideration of providing enhanced grid reliability through Resource Adequacy as defined by the CPUC and the California Independent System Operator² (CAISO).

Standardized Response Template: All respondents must use the standardized response template provided by Pioneer. Pioneer has posted the template on its website Pioneer Community Energy (ca.gov) and will require respondents to independently access and download such template prior to response preparation. An unmodified version of the template must be completed in its entirety based on instructions provided in the template. Pioneer may update the RFP template from time to time

¹ The final decision and related documentation for the Mid-Term Reliability order can be found on the IRP Procurement Track page of the CPUC’s website: https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M389/K603/389603637.PDF
² Definitions and documentation regarding Resource Adequacy may be found at http://www.caiso.com/planning/Pages/ReliabilityRequirements/Default.aspx and http://www.cpuc.ca.gov/ra/.

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time, so respondents are encouraged to periodically visit the Pioneer website to determine if any changes have been posted. Only submittals of the currently applicable template will be reviewed.

**Project Eligibility:** Each respondent may propose one or more project offers conforming to the following eligibility requirements. Failure to meet all the following project eligibility criteria shall be grounds for proposal rejection:

1. **Resource Location:** The point of physical interconnection for any eligible generator must be within the CAISO balancing authority or directly connected to and delivering into CAISO. Pioneer has a strong preference for physical interconnection within the area generally termed NP15, as defined by the CAISO. Evaluative preference will be given to any resource(s) located directly within or within close proximity to Pioneer’s Member Agencies.

2. **Product:** Offers for capacity and energy made pursuant to this RFP will also include all associated Capacity, Energy, Environmental Attributes/Renewable Energy Credits (RECs), and Ancillary Services associated.

3. **Resource Eligibility:** The project must meet eligibility criteria for eligible resources as defined by the CPUC in D.21-06-035. Pioneer is seeking resources which meet the following resource categories:
   
   (a) **Non-Fossil Fuel Resources:**
   Resources in this category include, but are not limited to, solar, wind, RA only products, renewable plus storage hybrids, stand-alone storage, and demand response resources. Non-Fossil Fuel resources with an online date on or before August 1, 2023, is preferred to meet LSEs annual compliance dates. Per the decision, resources cannot be counted if they have an online date after June 1, 2025.

   (b) **Zero-Emitting Resources:**
   Resources in this category must:
   - (i) Be from a generation resource, a generation resource paired with storage (physically or contractually), or a demand response resource
   - (ii) Be available every day from 5 p.m. to 10 p.m. (the beginning of hour ending 1800 through the end of hour ending 2200), Pacific Time, at a minimum; and
   - (iii) Be able to deliver at least 5 megawatt-hours of energy during each of these daily periods for every megawatt of incremental capacity claimed. Zero-Emitting resources with an online date on or before August 1, 2023, may be preferred to meet LSEs annual compliance dates.

   (c) **Firm Zero-Emitting Generation Resources:**
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Resources in this category must not be weather dependent or use limited, must have at least an 80 percent capacity factor, and produce non-site emissions unless they are otherwise eligible to count under the RPS requirements. Resources must be a generating resource and not storage. Firm Generation Resources should be online no later than June 1, 2026.

(d) Long-Duration Storage Resources:
Resources in this category must be storage resources able to discharge at maximum capacity over at least an eight-hour period from a single resource. Long-Duration Storage Resources should be online no later than June 1, 2026.

All resources must be incremental to the CPUC’s D.21-06-035 baselinelist of resources.

4. Generating Capacity: Minimum one (1) megawatt (“MW”) AC.

5. Initial Date of Delivery:
   a. Non-fossil fuel resources: On or before August 1, 2023, preferred
   b. Zero-emission resources: On or before August 1, 2023, preferred
   c. Firm Generation Resources: On or before June 1, 2026
   d. Long-Duration Storage Resources: On or before June 1, 2026

6. Term of Agreement: Not less than ten (10) years, commencing on the Initial Date of Delivery; not more than twenty (20) years, commencing on the Initial Date of Delivery.

7. Proposed Pricing and Settlement: Respondents must price their proposed project in one of the following forms:
   a. All-in energy and capacity price [$/MWh]
      i. May only be provided without an escalator
      ii. This price includes Delivered Energy, Environmental Attributes, Capacity Rights, and Ancillary Services;
         OR
   b. Energy pricing [$/MWh]
      i. May only be provided without an escalator
      ii. For generation resources
   c. Capacity pricing [$/kW-month]
      i. Applies only for energy storage component, if applicable
      ii. Respondent(s) are required to provide pricing for 4-, 5- or 8- hour duration battery, as applicable for resource category
      iii. Offered Price will be assumed to be for non-degrading energy storage capacity over the delivery term
      iv. Indicate if DC- or AC-coupling
      v. Indicate if hybrid or co-located
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Respondents are required to include the price at the Project P-node (i.e., the CAISO pricing node assigned to the generator). Respondents are strongly encouraged to provide pricing at least one of the following Trading Hubs:
- SP15
- NP15
And the applicable DLAP;
- SCE DLAP
- PG&E DLAP

8. **Scheduling Coordinator (SC) Responsibilities**: Pioneer prefers to provide SC services. If the respondent prefers to be the SC, then Pioneer requires the ability to make schedule changes at any time, applicable to CAISO market scheduling rules.

9. **Minimum Development Progress**: To the extent that a proposed generating resource is not yet commercially operational, documentation substantiating achievement of the following development milestones must be provided by the respondent for each eligible generator, including: 1) evidence of site control; and 2) evidence that respondent has submitted a generator interconnection application to the appropriate jurisdictional entity; provided, however, that if respondent has completed interconnection studies or executed an interconnection agreement, as applicable, respondent should provide copies of such materials, including applicable appendices. Such documentation must be provided to Pioneer at the time of response submittal.

10. **Project Financing Plan**: Respondent shall describe its intended financing plan for each proposed project in sufficient detail for Pioneer to effectively evaluate the viability of such arrangements. To the extent that a respondent anticipates a joint project ownership structure, this structure shall be clearly articulated along with applicable ownership percentages attributable to each partner. Supporting documentation and discussion shall be provided by each respondent, consistent with the informational requirements specified in the RFP response template.

**Transfer of Environmental Attributes/Renewable Energy Certificates**
As part of the proposed transaction associated with any renewable energy product, all Green Attributes/Renewable Energy Certificates must be transferred to Pioneer via the Western Renewable Energy Generation Information System (“WREGIS”), or its successor, without any additional costs or conditions imposed on Pioneer. Each respondent shall be independently responsible for registering its generating project(s) with WREGIS and for maintaining an active WREGIS account throughout the proposed term of agreement.
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RFP Schedule*

This RFP will be administered in consideration of the following schedule:

<table>
<thead>
<tr>
<th>RFP Activity</th>
<th>Anticipated Date of Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFP Issuance</td>
<td>July 6&lt;sup&gt;th&lt;/sup&gt;</td>
</tr>
<tr>
<td>Deadline for Electronic Question Submittal</td>
<td>July 11&lt;sup&gt;th&lt;/sup&gt; no later than 5:00 P.M. PPT</td>
</tr>
<tr>
<td>RFP Response Deadline</td>
<td>July 29&lt;sup&gt;th&lt;/sup&gt; no later than 5:00 P.M. PPT</td>
</tr>
<tr>
<td>Short-List Notified and Exclusivity Agreement Executed</td>
<td>August 2022</td>
</tr>
<tr>
<td>Contract Negotiations</td>
<td>August 2022 through Q4 2022</td>
</tr>
<tr>
<td>Execution of Contract(s)</td>
<td>Q4 2022</td>
</tr>
</tbody>
</table>

*Pioneer reserves the right to change the schedule of these events at any time for any reason.

Respondents may submit questions to Pioneer regarding this RFP process and associated materials no later than 5:00 P.M. PPT on July 11<sup>th</sup>, 2022. All questions and final proposals should be submitted electronically to mtrprocurement@pioneercommunityenergy.ca.gov and must include the following subject line: “Questions for Pioneer’s July 2022 RFP for Mid-Term Reliability Procurement.” Pioneer will post responses to all questions on its website after responses have been prepared – Pioneer anticipates posting such responses by July 13<sup>th</sup>, 2022. Responses to similar questions may be consolidated within Pioneer’s list of posted responses.

Pioneer may submit clarifying questions to certain respondents or conduct interviews, as necessary, based on information provided in the response template and/or supporting materials included with each response. Pioneer shall have the right, at its sole discretion, to request information without notifying other respondents. Pioneer shall establish due dates for responses at the time of each informational request and will directly notify individual respondents in the event that follow-up and/or interviews are necessary during this process.

Note: only electronic submittals will be accepted; such submittals must be received by Pioneer no later than 5:00 P.M. PPT on Friday, July 29<sup>th</sup>, 2022. All responses should be submitted to mtrprocurement@pioneercommunityenergy.ca.gov and must include the following subject line: “Response to Pioneer’s July 2022 RFP for Mid-Term Reliability Procurement.”

Evaluation of Responses
Pioneer will evaluate responses against a common set of criteria that will include various factors. A partial list of factors to be considered during Pioneer’s evaluative process is provided below. This list may be revised at Pioneer’s sole discretion.

- Price
- Overall quality of response, including general completeness and conformance with RFP instructions/requirements
- Project location
- Benefits to the local economy
e. Benefits to the local workforce
f. Interconnection status, including queue position, full deliverability of Resource Adequacy capacity, and related study completion, if applicable
g. Siting, zoning and permitting status, if applicable
h. Qualifications of project team
i. Proposed financing plan and ownership structure
j. Environmental impacts and related mitigation requirements
k. Financing plan & financial stability of project owner/developer
l. Proposed security obligations
m. Development milestone schedule, if applicable
n. Supplier diversity
o. Experience developing and operating renewable energy projects in California
p. Experience selling renewable energy to CCAs
q. Prospective benefits accruing to communities afflicted with poverty or high unemployment, or that suffer from high emission levels of toxic air contaminants, criteria air pollutants, and greenhouse gases
r. Impacts to disadvantaged communities

If the proposed generating facility is located within a community afflicted with poverty or high unemployment or a community that suffers from high emission levels, the respondent should be prepared to describe: 1) prospective hires within such community and/or adjacent communities; 2) duration of work associated with such employment opportunities; 3) anticipated direct and indirect impacts associated with the proposed project; and 4) projected emission reductions associated with the proposed project and whether such project is expected to replace/supplant an existing generating facility.

**Contracting**

Pioneer plans to negotiate a single form of Power Purchase Agreement (“PPA”) with each of the short-listed suppliers. As part of the short-list notification process, Pioneer will provide each of the short-listed suppliers with a draft PPA. Contract negotiations will proceed thereafter.

**Confidentiality**

All correspondence with Pioneer, including responses to this RFP, will become the exclusive property of Pioneer and will become public record under the California Public Records Act (Cal. Government Code section 6250, et seq.). All documents sent by respondents to Pioneer may be subject to disclosure, unless exempt under the California Public Records Act.

In order to designate information as confidential, the respondent must clearly stamp and identify any designated portion(s) of the response material with the word “Confidential” and provide a citation to the California Public Records Act supporting confidential treatment of such information. Respondents should be judicious in designating material as confidential. Over-designation would include
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stamping/designating entire pages, series of pages and/or entire sections as confidential when such material does not require confidential treatment.

Therefore, any proposal which contains language purporting to render all or significant portions of the proposal as “Confidential”, “Trade Secret” or “Proprietary”, or which fails to provide the noted exemption citation (related to the California Public Records Act) may be considered a public record in its entirety subject to the procedures described below. Do not mark your entire proposal as “Confidential”.

If required by any law, statute, ordinance, a court, governmental authority or agency having jurisdiction over Pioneer, including the California Public Records Act, Pioneer may release confidential information, or a portion thereof, as required by applicable law, statute, ordinance, decision, order or regulation. In the event Pioneer is required to release confidential information, it shall notify the respondent of the required disclosure, such that the respondent may attempt (if it so chooses), at its sole cost, to cause the recipient of the confidential information to treat such information in a confidential manner, and to prevent such information from being disclosed or otherwise become part of the public domain.

Pioneer does not intend to disclose any part of any proposal before it announces a recommendation for award, based on the understanding that there is a substantial public interest in not disclosing proposals during the evaluation or negotiation process.

Exclusivity Agreement and Bid Deposit
As part of the short-listing process, Pioneer will require all short-listed bidders to execute a term sheet, enter into an exclusivity agreement (of no less than 90 days in duration), and post a bid deposit in the amount of $3,000/MW multiplied by the project’s guaranteed capacity. Pioneer will accept bid deposits in the form of cash or an agreed upon form of a Letter of Credit. Letter of Credit means an irrevocable standby letter of credit, in a form reasonably acceptable to Pioneer, issued either by (i) a U.S. commercial bank, or (ii) a U.S. branch of a foreign commercial bank that meets the following conditions: (A) it has sufficient assets in the U.S. as determined by Pioneer, and (B) it is acceptable to Pioneer in its sole discretion. The issuing bank must have a credit rating of at least A- from S&P or A3 from Moody’s, with a stable outlook designation. All costs of the Letter of Credit shall be borne by the short-listed respondent.